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Daniel Nanigian says Nanmac's Shanghai operations fueled double-digit revenue growth.

Locals go overseas for more customers

Many small firms start exploring foreign markets within a year of launching

By Lisa van der Pool
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Some local small businesses were able to juice up sales during the recession by finding new customers overseas.

Although exporting goods is a more complicated process for small businesses

— they have fewer resources than larger companies to navigate the complexities of selling products overseas — the tactic is growing in popularity for firms that see big interest in their high-tech products overseas; or who are just looking to supplement sagging U.S. sales.

The **Massachusetts Export Center** has seen a jump in exporting in the past several years for small businesses looking to gain global market share.

"Many smaller businesses are thinking about exporting earlier, within a year or two of launching," said Julia Dvorko, central Massachusetts regional director

at the export center. "The ones that have been more successful in the recession are ones that have a significant percentage of sales coming from international markets."

One of those firms is Framingham-based **Nanmac Corp.**, whose high performance temperature sensors are used in the manufacturing of solar cells, aerospace, and in the defense and plastics industries. Nanmac began selling its products in China in 2003.

Nanmac's four-person office in Shanghai has fueled double-digit revenue growth during the past few years. The firm grew to \$10 million in revenue in 2010, up from \$5.1 million in 2009 and \$2.7 million in 2008. Sales in China currently account for about 25 percent of revenue, and the firm expects that figure to grow. Nanmac's clients including **NASA**, **Lawrence Livermore National Laboratory** and **Sandia National Laboratories**.

"It wasn't really complicated ... it was a matter of stealing market share in the U.S. or finding new customers," said Daniel Nanigian, president of Nanmac.

Nanigian says that as sales started increasing in China, he began reinvesting into marketing efforts for the domestic market.

"I wouldn't suggest that our growth was solely due to our ability to increase sales in China, but it makes it easier standing out on a limb when the limb is thicker," said Nanigian.

International sales have also been increasingly important for Lexington-based **The BioSolve Company**, said Managing Director James Edgerly.

BioSolve makes an emulsifier that reduces the potential for fire and explosions after fuel spills.

Edgerly says that about 50 percent of the firm's sales come from exports.

Of course, operating in any market, especially certain volatile markets in the Middle East, is not without some risk.

Needham-based **SolarOne Solutions**, which makes solar-powered LED lighting systems, started beefing up its exporting efforts during the past few years, installing lighting systems in a range of countries from South America and Canada to the Middle East. Those efforts helped the 14-person company double its business in 2009.

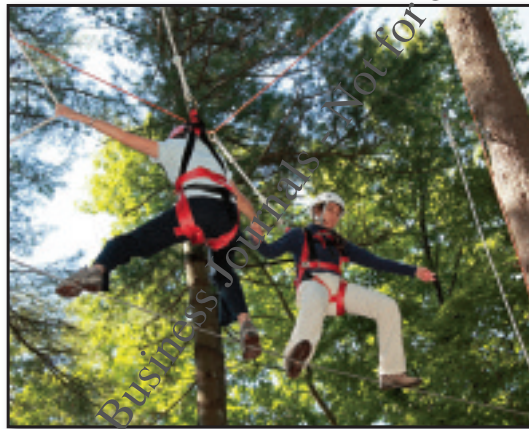
But recently, turmoil in the Middle East, including Dubai's shaky economy and bailout, has thrown some of SolarOne's projects in the region into question.

"The export market in this case really represents a much larger market than domestic over time," said Moneer Azzam, president of SolarOne Solutions, who says that uncertainty in the Middle Eastern market has been a "disappointment" of late.

Indeed, other pitfalls that small businesses grapple with when doing business overseas include rushing into a market, and not learning enough about the culture before interacting with business partners in foreign countries, according to Dvorko.

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